



MTS EMPLOYEE AGREEMENT (U.S.A. Version)

AGREEMENT made this 01 day of April, 19 96 by and between MTS Systems Corporation including any subsidiary, associated or affiliated companies (hereinafter "MTS"), a Minnesota corporation, and Alexander Raphaelovitz of 5814 Whistlewood Cir. Sarasota, FL 34232 (hereinafter "Employee"), agree as follows:

1.0 Employment. MTS shall employ Employee, or continue Employee's employment (as the case may be) at a wage or salary and for a length of time as shall be mutually agreeable to the Parties, it being understood that employment may be terminated by either Party upon the giving of reasonable notice to that effect by either Party to the other.

2.0 Definitions. (a) "Employee Works" shall mean any and all improvements, discoveries, inventions and copyrightable works first conceived, made, or first reduced to practice by Employee during the period of Employee's employment with MTS, which relates directly to the actual or demonstrably anticipated business of MTS or which results from any work performed by the Employee for MTS during the period of Employee's employment with MTS. (b) "Trade Secret" shall mean technical and business information (whether written or not) of actual or potential economic value to MTS, that is not known or is not readily ascertainable by proper means by others who can obtain economic value from its use, and includes but is not limited to formulae, designs, specifications, processes, techniques, methods, computer software, technical data, customer lists, business information, financial data and cost data.

3.0 Confidentiality of MTS Information. Employee understands that he/she might acquire knowledge of Trade Secrets during the course of employment with MTS. Employee agrees not to use or disclose, directly or indirectly, for Employee's own benefit or for the benefit of another, either during or after his/her employment, any such Trade Secret including Trade Secrets embodied in Employee Works; except to the extent authorized by MTS. Upon termination of employment, Employee shall turn over to MTS all information and copies thereof that is in his/her possession, that is the property of MTS and that may contain Trade Secret information. For the purposes of this paragraph 3.0, no information shall be deemed Trade Secret (1) if it is obtained by Employee through a third party that has no secrecy obligation to MTS with respect to the same information, or (2) if it is, or has become without any fault of Employee's part, publicly known.

4.0 Confidentiality of Others Information. Employee agrees not to use or disclose to MTS any confidential or proprietary information belonging to others.

5.0 Ownership and Assignment of Employee Works. Any copyrightable works prepared by Employee during his/her employment for MTS shall be deemed works for hire under the copyright laws of the United States. Employee Works shall be the sole and exclusive property of MTS or its nominee. At the request of MTS, during and following employment with MTS, Employee shall execute and assign to MTS or its nominee any and all applications, assignments, powers of attorney and other instruments which MTS shall deem necessary or convenient in order to: (i) apply for and obtain patent or copyright protection in any country for any of such Employee Works, and (ii) assign and convey to MTS or its nominee the sole and exclusive right, title and interest in and to said Employee Works, copyrights and patents. Employee will render aid and assistance in any interference or litigation pertaining thereto, all expenses reasonably incurred by Employee at the request of MTS to be borne by MTS.

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6.0 MTS Release of Rights. Certain Employee Works may be released to Employee under terms mutually agreed upon in writing, thereupon, Employee shall be free to use those Employee Works as specified and under the terms in the written agreement.

7.0 NOTICE: MTS hereby gives Employee written notice that this agreement does not apply to any invention or copyrightable material for which no equipment, supplies, facility or Trade Secret information of MTS was used and which was developed entirely on Employee's own time, and (1) which does not relate (a) directly to the business of MTS or (b) to MTS's actual or demonstrably anticipated business, or (2) which does not result from any work performed by Employee for MTS. Employee hereby acknowledges receipt of a copy of this written notice.

8.0 Non-Compete Agreement. During the period of employment by MTS, Employee agrees not to perform services for any competing business in the same field of commercial activities or engage or assist (a) in the organization of any competing business or (b) in any activities related to the sale, development, design or manufacture of any product which competes with products of MTS.

9.0 General Provisions.

9.1 In the event that any provision of this Agreement is held by any court to be unenforceable, the remaining provisions shall not be affected.

9.2 The obligations of the Parties under this Agreement do not depend on conditions outside this Agreement and shall survive the termination of employment with MTS, regardless of the reason for termination.

9.3 This Agreement replaces and supersedes all prior agreements between the Parties relating to the same subject matter. This Agreement may not be terminated, amended, or modified in any way, except in writing signed by both Employee and MTS.

9.4 This agreement shall be assignable by MTS, and shall be binding upon and inure to the benefit of Employee, Employee's beneficiaries and of MTS and its successors and assigns.

EMPLOYEE CERTIFIES THAT HE/SHE HAS READ AND UNDERSTANDS ALL PROVISIONS OF THIS AGREEMENT.

For MTS:

By:

Date

Kevin B. Harger
March 26, 1996

Employee:

Date

[Signature]
4/8/96